

Appl. No. 10/071,537
Response dated July 9, 2008
Reply to Advisory Action of April 9, 2008

REMARKS/ARGUMENTS

This Amendment is in response to the Office Action mailed April 9, 2008 and to further clarify the arguments in the Amendment filed on June 6, 2008.

By the above amendment, the Applicant has amended the specification to more particularly define the invention without adding any new matter. The specification was amended by inserting text found in Claim 4 as originally submitted in this patent application.

The Rejection Of Claim 1 Under 35 U.S.C 112, First Paragraph, Is Overcome

The last O.A. rejected Claim 1 indicating that the Examiner found no recitation in the specification for selecting incentives based on past incentives redeemed, for selecting incentives based on past incentives refused, or for selecting incentives based on "a plurality of items first scanned". Applicant requests withdrawal of this rejection because the specification as amended provides the necessary recitations.

Claim 4 of this patent application as originally submitted discloses the description wherein:

"stored data relating to determining an incentive is comprised of a combination of past shopping history of the shopper, a plurality of first products scanned within a product category, a plurality of products purchased with incentives, and/or a plurality of incentives redeemed."

The specification has been amended by inserting text found in Claim 4 as originally submitted in this patent application so that the specification now more particularly defines the invention without adding any new matter.

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The Rejection Of Claim 1 Under 35 U.S.C 112, Second Paragraph, Is Overcome

The last O.A. rejected Claim 1 indicating that the Examiner found the recitation of "a plurality of items first scanned" to be unclear and suggested that while one item could be the first scanned within a plurality of items the Examiner did not find it clear how multiple items can be "first" scanned. Additionally it was further unclear how many items may be scanned and still be considered "first".

Applicant requests withdrawal of this rejection because one of ordinary skill in the art would understand that "a plurality of items first scanned within a product class on each shopping trip" teaches that each product class may have a first scanned item or an item first scanned within a product class. Accordingly, if there is a plurality of classes, then there is a plurality of items first scanned.

The Rejection Of Claim 1 On Deaton In View Of Sloane Further In View Of Christensen Is Overcome

The last O.A. rejected claim 1 on the teachings of Deaton (U.S. Patent No. 6,292,786) in view of Sloane (U.S. Patent No. 5,918,211) further in view of Christensen (U.S. Patent No. 5,710,886). Applicant requests withdrawal of this rejection. The references teach away from combination and one of ordinary skill in the art would not combine the above references without impermissible hindsight. Furthermore, even if the references were combined, Deaton, Sloane, and Christensen do not teach the unique aspects described in claim 1.

Sloane teaches a system that offers shoppers incentives which have been preloaded from each manufacturer into a controller that later determines if a consumer will receive notification of the incentive being offered. Because the loading of these incentives happens prior to the shopper scanning a product the system described by Sloane does not deliver shopping incentives individually customized to influence each

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customer. Accordingly Sloane also fails to describe a system that combines the product being considered for purchase with the consumer's past shopping behavior metrics to create targeted and customized incentives. Sloane also fails to teach using a plurality of competing manufacturer controlled dynamic incentive offer engines to deliver shopping incentives.

The system described by Deaton is also significantly different from that described in claim 1. Deaton teaches a system for delivering incentives based on purchases as scanned at the point of sale (POS) register and items purchased by the customer in previous shopping trips. The Deaton system does not describe using products currently being considered by the customer nor does it describe using a customer's past shopping behavior metrics such as past incentives redeemed, past incentives refused, and a plurality of items first scanned within a product class on each shopping trip. Deaton does describe a system where manufacturer computers determine the incentives to be offered, however these computers are different from the independently competing manufacturer controlled dynamic incentive offer engines described in claim 1 because Deaton's computers do not receive customer behavior data comprised of demographic information and past shopping behavior metrics for each product class as derived from past incentives redeemed, past incentives refused, and a plurality of items first scanned within a product class on each shopping trip. Because of the lack of detailed behavior data Deaton's system does not provide the same targeted customization for each incentive. Additionally, because Deaton describes a system that offers incentives at the point of sale rather than presenting them to the customer at the time a purchase decision is being made, Deaton does not present incentives to the customer at the time a purchase decision is being made. Because the Deaton system relies on the POS system for both data capture and for providing incentives it also does not describe a wireless device that has a scanning means usable by the shopper to read the machine readable codes, that can communicate the machine

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readable code and shopper information to a processing application, that can receive incentives from said processing application, that has a user interface usable by the shopper to select the incentives to be redeemed, that has means for communicating said incentives to be redeemed to a point of sale system, and that has means for communicating said incentives to be redeemed to said processing application.

The manufacturer controlled incentive engines described by Deaton are incompatible with the data that would be provided by a wireless system as described by Sloane. Deaton specifically describes a system that is designed to provide items purchased and prices paid to the manufacturer controlled incentive engines. However, if one were to combine the wireless handheld scanner described by Sloane with the manufacturer controlled incentive engines described by Deaton, the incentive engines would receive data scanned while the person is shopping and has not yet finalized a purchase decision. The manufacturer controlled incentive engines described by Deaton would not expect nor would they be able to handle the kinds of data that would be provided by such a system. The references not only do not teach the unique aspects described by claim 1, the references teach away from combination. The references would only be seen as combinable with the benefit of impermissible hindsight.

It has been suggested that incentives offered by Deaton take into account all current purchases regardless of their order of scanning, and thus reads on items that are "first" scanned or "last" scanned. This reading does not have any bearing on claim 1 as the "first scanned" distinction as read in Deaton is not the same nor does it offer the same benefits as those described in claim 1. In Deaton there is no distinction between "products scanned" and "products purchased" as they are one and the same, therefore Deaton offers no inherent benefit to tracking the "first" product scanned within a product class on each shopping trip. In comparison, numerous items can be identified as "first scanned within a product category on a shopping trip" in the system described

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in claim 1. These scanning events happens prior to the point of sale register while the customer is still shopping, and more specifically happen while the shopper is in the aisle and standing in front of the array of competing products in the aisle at the precise moment the purchase decision is being made. Claim 1 describes a system whereby the "first" product scanned indicates interest in a specific product within a specific product class on a shopping trip. In this case a "first scan within a product category" triggers a cascade of events that provides a selection of customized incentives from competing manufacturers to be presented on the customer's handheld personal wireless device (PWD). Deaton does not describe this.

As an example of the customer's experience using the system described by claim 1, scanning potato chips from "Brand A" would cause potato chip coupons to be offered from "Brand A" and "Brand B". Allowing that the "Brand B" offering was the most persuasive, the customer would select the "Brand B" incentive on his or her PWD, place the "Brand A" package back on the shelf, and continue to purchase the "Brand B" bag of chips. This purchase selection will be positively confirmed at the checkout when the "Brand B" chips are purchased and the related incentive is redeemed. This example also shows how this system can uniquely make the positive distinction between an incentive that has been "rejected" and another that has been "redeemed". Unlike Deaton, the system described by claim 1 would be able to determine that the customer has been persuaded by another incentive offered which compelled him or her to put the item first scanned in that product category back on the shelf to instead purchase a different product from the same product category.

The system described by Deaton offers traditional post-purchase printed coupons delivered via the point of sale register. Because printed coupons have expiration dates that measure in weeks and months the dynamic coupons offered by Deaton cannot offer the direct budgetary flexibility described by claim 1 where manufacturer's internal

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concerns are at least marketing budget and internal market share objectives. Printed coupons, such as Deaton provides, leave the manufacturer unable to confirm the redemption of an offered coupon for an extended period of time. This uncertainty requires the manufacturer to tie up budgetary funds to cover the estimated maximum redemption rate thereby limiting the flexibility needed to reallocate those funds to other more successful incentive programs or other better methods of marketing. Claim 1 purposefully remedies this problem by creating incentives that are offered while the shopper is in the aisle and standing in front of the array of competing products in the aisle at the precise moment the purchase decision is being made. Claim 1 enables manufacturers to rapidly assess the success of each incentive and to quickly allocate budgetary funds to those incentive programs that are most successful while reducing the funding of those that are not.

Christensen teaches a system whereby a customer loads a computer program onto his or her personal computer, registers said program by calling an 800 number to provide detailed demographic information, and then is able to search the application on his or her computer for any coupons he or she might be interested in. Once a customer locates a coupon, he or she would print the coupon on a printer whereby the coupon would have a unique household ID printed on it. At this point the coupon is no different in usage than a common printed paper coupon. Christensen describes that the household ID printed on the coupon would allow his system to determine "exactly which consumers purchased which particular products and from which retailers" (Column 10, Lines 48-50). Later Christensen teaches that based on the coupons redeemed his system can emphasize and de-emphasize whole categories of coupons, but he does not suggest the ability to establish that any specific incentive has been explicitly rejected.

"If the consumer redeems no coupons from a given category, such coupons may be de-emphasized until the consumer's buying habits change. For example, if a

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given consumer uses no baby or child product coupons, such categories may be de-emphasized. If a consumer starts redeeming such coupons, then it may be inferred that the consumer has started a family, and coupons targeted toward family needs may then be included in a consumer's subsequent mailings."

(Column 10, Lines 4-12)

When a coupon has not been redeemed, even though it has been loaded into a customer's computer, Christensen does not assert the inference that the coupon has been "rejected". Furthermore, in scenarios where a coupon has been *confirmed as printed* and still not redeemed Christensen warns *against* presuming that as accurate enough to infer that the printed incentive has been rejected. He explicitly teaches against making such an assumption.

"Coupon printing information may be uploaded via such on-line services to provide marketing data, however, it is believed that such printing data may not be as accurate as redemption data, as redemption data indicates a definite sale of a product." (Column 11, Lines 22-26)

Claim 1 describes a system that goes beyond the capabilities of the combined references. By establishing precise shopping behavior metrics through considering the details of past items first scanned within a product class and, because of the timely immediacy of incentives offered in the store at the moment a purchase decision is being made, the system as described in claim 1 can reasonably determine past incentives offered but refused, as well as past incentives ultimately redeemed.

Neither Deaton nor Sloane describe tracking other past shopping behavior metrics such as past incentives redeemed, past incentives refused, or items first scanned within a product category on each shopping trip. The purchase history described by Deaton and Sloane falls far short of the metrics tracked by the system described in claim 1. While Christensen does describe printing a household ID onto each coupon it is not suggested

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that this mechanism would provide a metric for measuring incentives refused just because they were not printed and accordingly not redeemed. To reinforce this point Christensen teaches against making such assumptions of incentive rejection as inaccurate even in the event a coupon is printed and still not redeemed. Given that Christensen teaches against the ability to infer coupon rejection in the event that a coupon is printed and then not redeemed, it is clear that in the event a coupon has not been printed and not redeemed that this would be an even more unreliable indicator of incentive rejection.

Neither Deaton nor Sloane nor Christensen describe capturing the customer behavior metrics that establish the efficacy of past incentives and their ability get each consumer to abandon (or retain) their first product choice as described in claim 1. It is only with impermissible hindsight that one would combine Deaton, Sloane and Christensen to arrive at the system described in claim 1.

Not only do the references not combine to provide the benefits described in claim 1, there explicit teaching away from combination found in the references. Sloane explicitly teaches away from combining or integrating with any system that distributes coupons with certain key attributes. As explained in Sloane:

"U.S. Pat. Nos. 4,910,672, 4,723,212, and 5,173,851, assigned to Catalina Marketing Corporation, disclose methods of dispensing coupons, including coupons for competitive products, based on a consumer's purchases as they are identified by the bar code scanner mounted inside the checkout counter, and connected to point-of-sale electronic system. Each of the systems disclosed require the use of checkout counter scanners, which are used as point-of-sale devices.

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The prior art methods of distributing consumer promotions and coupons, based on checkout scanner information, in an effort to affect future purchasing behavior are inefficient. This inefficiency is due to the fact that a substantial number of the issued discounts or coupons go unused because consumers are required to remember to bring them to the store on their next visit." (Column 1, Lines 51-67)

These key elements referenced above in Sloane, namely the system for dispensing coupons based on a consumer's purchases as they are identified by the bar code scanner mounted inside the checkout counter connected to point-of-sale electronic system, accurately describe those found in Deaton's. Sloane describes his system as superior and inherently incompatible with one such as that described by Deaton.

A person of ordinary skill in the art would have been discouraged from combining these individual elements given the explicit teaching away from such a combination as found in Sloane. It is only with impermissible hindsight that one would think to combine Deaton, Sloane and Christensen to arrive at the features described in claim 1.

As indicated in the O.A., "Deaton determines incentives based on current purchases (scanned at point of sale)". Sloane however describes a system that is used to scan products while still shopping, specifically identified as "Point-of-Purchase" whereby products are only selected and their ultimate purchase remains in question and open to influence. Sloane even discusses the distinction between the term point-of-sale as used by Deaton.

"Promotional offers and coupon distribution for competitive products serve to alter the consumer's future purchasing behavior. The most widely used example of this involves coupons printed and distributed at the supermarket or retailer

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checkout counter based on the items that are purchased (i.e., point-of-sale).
These issued coupons must be used on a subsequent trip to the supermarket or
retail establishment." (Column 1, Lines 44-50)

Integration of Sloane and Deaton would not work because the system described by Sloane provides coupons while shopping and Deaton instead provides them only after products have been purchased. In the Sloane system products are only purchased after the consumer has returned the portable bar code scanner to the scanner center. Since the scanner would have been returned and not in the possession of the consumer all incentives would again have to be delivered after the shopping is completed as described in Deaton.

Additionally, the manufacturer controlled incentive engines described by Deaton are incompatible with the data that would be provided by a wireless system as described by Sloane. Deaton specifically describes a system that is designed to provide items purchased and prices paid to the manufacturer controlled incentive engines. However, if one were to combine the wireless handheld scanner described by Sloane with the manufacturer controlled incentive engines described by Deaton, the incentive engines would receive product data scanned while the person is still shopping and has not yet finalized a purchase decision. The manufacturer controlled incentive engines described by Deaton would not expect nor would they be able to handle the kinds of data that would be provided by such a system. The references teach away from each other and would only be seen as combinable to arrive at the system described in claim 1 with impermissible hindsight.

There is implied teaching away from combination because all three references each capture information about a customer's purchase at distinctly different moments in the shopping process. While Sloane allows for the capture of product UPC codes during the

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product selection phase, Deaton instead captures all product information at the final moment when a purchase is being made. Christensen can only capture information about incentive redemption days or weeks later during the coupon reconciliation process at a coupon redemption clearinghouse.

This time of data acquisition is important and further renders the combination of the references incompatible. The manufacturer controlled incentive engines described by Deaton describes a system that relies on only passing the items purchased and prices paid to the manufacturer controlled incentive engines. If one were to combine Sloane and Deaton a customer using a wireless scanner while shopping would inevitably be scan a product they were only contemplating purchasing and would then change their mind and put back on the shelf. In the references cited, data acquired at different moments in the process will result in substantial changes to the nature of the data being captured itself. Such a difference in time additionally changes the actionable nature of such data. Information being sent from a hand held device as described in Sloane to manufacturer incentive engines as described by Deaton would not work.

Christensen doesn't suggest combination with either Deaton or Sloane since all the relevant information in this system is captured weeks later during the coupon reconciliation process at a clearinghouse.

Given the discrepancies in when data is captured these references, by implication, each teach away from combining itself with the other. Since they teach away from each other it would not be logical to combine them without the use of impermissible hindsight.

References have different incompatible time frames for providing customer incentive redemption information to the manufacturer. Deaton describes a system whereby

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coupons are printed at the register after products have been scanned and purchased. Printing incentives at this stage means that any coupons used will not be redeemed for an indeterminate amount of time, that beginning on the date the coupons are issued at the checkout counter, adding the time until the customer goes shopping again and redeems said coupon. Accordingly, manufacturers will also be unable to receive any data pertaining to the redemption of offered incentives for an indeterminate amount of time.

Christensen describes printing a household ID onto each incentive. With the system described by Christensen incentive redemption can only be captured after an indeterminate time starting at the date the manufacturer issues the incentive, add the time until the incentive is loaded onto the customers computer, adding the time until the customer prints the coupon, adding the time until the customer goes shopping and redeems the coupon, and adding the time until the coupon arrives at the coupon clearinghouse to be scanned.

Sloan describes a system that provides static incentives to a customer based upon searching a preloaded non-dynamic collection of incentives on a remote server or database. However Sloane does not describe notifying manufacturers of coupon redemption status. The system as described by Sloane indicates that a printed coupon may be generated, but said coupon is not described as having any means of identifying the customer so such information can *never* be captured.

The discrepancies between the capture of incentive redemption information and the time it takes to do so (if at all) illustrates how each reference teaches away from combining itself with any of the others. Since they teach away from each other it would not be logical to combine them without the use of impermissible hindsight.

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References have different systems for storing or acquiring the incentives that should be offered to a customer. Sloane teaches a system where incentives are selected from among those that have been preloaded into a computer server or database in the store. Christensen teaches a system where incentives are downloaded to a consumer's personal computer. Deaton describes a system that acquires shopping incentives generated by a plurality of manufacturer computers that determine incentives based on current and past purchases when a consumer scans products at the POS register. Given the discrepancies in the systems for storing or acquiring the incentives to offer these references teach away from each other by implication and it would not be logical to combine them without the use of impermissible hindsight.

Cited references all have completely different means of delivering incentives to customers. Sloane teaches displaying incentives directly on a wireless device in the store while shopping. Deaton teaches a system that offers custom incentives printed at the register after the purchase is complete, delivered via email some time after the shopping is done, or alternatively printed at a kiosk in the store during the next shopping visit. Christensen teaches loading a computer program onto a personal computer, registering said application by calling an 800 number, providing detailed demographic information, searching the application for any coupons of interest, and then printing any coupons found. Given the discrepancies in the systems for delivering incentives these references teach away from each other by implication and it would not be logical to combine them without the use of impermissible hindsight.

References have dramatically different descriptions regarding integration with traditional Point of Sale systems. Deaton teaches a system that is very tightly integrated with the traditional existing store POS system with a cash register and scanner at the end of a check out aisle. As the Deaton system depends on data collected at the point of purchase and not during the shopping process it requires this tightly integrated

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configuration. Sloane, on the other hand, describes a system that is designed to replace the traditional POS system seen today and instead teaches a system with consumer self directed checkout that maintains a running total of purchases as a customer shops throughout the store. Christensen does not integrate with the POS system but instead prints a coupon at home and allows the POS system to remain largely intact. However, given the household identifying ID, it is apparent that Christensen would require additional hardware, software, or both to be installed at all coupon clearing houses to make the scanning and sorting of their target coupons possible. Given the discrepancies in utilization of traditional POS systems versus cart focused consumer directed checkout these references teach away from each other by implication.

Since the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified the teachings of the references are not sufficient to render the claims prima facie obvious and it would not be logical to combine them without the use of impermissible hindsight.

Even if the combination of Deaton, Sloane, and Christensen were legally justified, claim 1 would still have novel and unobvious features over the proposed combination. In other words applicant's invention as defined by claim 1 comprises much more than starting with Deaton, adding the wireless scanning device as described in Sloane, and further adding the household ID as described by Christensen. Those features, more fully described in claim 1, include a system for delivering shopping incentives individually customized to influence each customer for products having machine readable codes whereby the incentives are generated by a plurality of independently competing manufacturer controlled dynamic incentive offer engines that use customer behavior data received from said processing application and further customize each incentive to meet the manufacturer's internal concerns and objectives, and where the incentives are presented to the customer at the time a purchase decision is being made.

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Applicant submits that the novel features of claim 1 are unobvious and hence patentable under § 103 since they produce new and unexpected results over Sloane in view of Deaton and further in view of Christensen. The new and unexpected results, more fully described in claim 1, include a system for delivering shopping incentives individually customized to influence each customer for products having machine readable codes whereby the incentives are generated by a plurality of independently competing manufacturer controlled dynamic incentive offer engines that use customer behavior data received from said processing application and further customize each incentive to meet the manufacturer's internal concerns and objectives, and where the incentives are presented to the customer at the time a purchase decision is being made.

Dependent Claims 2, 3, 5, 7, And 8 Are A Fortiori Patentable Over Deaton, In View Of Sloane, And Further In View Of Christensen

The last O.A. rejected dependent claims 2, 3, 5, 7, and 8 on the teachings of Deaton (U.S. Patent No. 6,292,786) in view of Sloane (U.S. Patent No. 5,918,211), and further in view of Christensen (U.S. Patent No. 5,710,886). Dependent claims 2, 3, 5, 7, and 8 incorporate all the subject matter of claim 1 and add additional subject matter, which makes them a fortiori and independently patentable over these references.

The Rejection Of Dependent Claim 4 In View Of Deaton In View Of Sloane In View of Christensen And Further In View Of Anttila Is Overcome

Dependent claim 4 had already been cancelled in a previous amendment. Applicant only mentions this in the interest of completeness and suspects that the rejection of claim 4 was just a typographical oversight and has no bearing on the consideration of patentability over Deaton, Sloane, or Christensen.

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The Rejection Of Dependent Claim 6 In View Of Deaton In View Of Sloane In View of Christensen And Further In View Of Anttila Is Overcome

The last O.A. rejected dependent claim 6 on the combined teachings of Deaton (U.S. Patent No. 6,292,786) in view of Sloane (U.S. Patent No. 5,918,211), in view of Christensen (U.S. Patent No. 5,710,886) and further in view of Anttila (U.S. Patent No. 6,862,575). Applicant requests reconsideration and allowance over this rejection.

Anttila describes a system for issuing electronic coupons whereby a master coupon is provided by a service which may be copied by customers and placed into an individual's electronic wallet, and said electronic wallet has a display that can render the coupon barcode in a way that can be scanned by the barcode reader at a point of sale (POS) register. The coupons described by Anttila can vary in value depending on the number of times a coupon is shared, a set time period, the purchase of specific items, the purchase of specific dollar values, or external parameters such as the score in a baseball game. The coupons may be transferred or recopied by the customer as desired. The customer may gain additional benefits by recopying the coupons to others.

Applicant submits that as claim 1 already overcomes Deaton, Sloane, and Christensen the addition of a wireless device as generating a bar code to be scanned by a point of sale, as suggested by Anttila, brings forth the same arguments made above against combining references.

Applicant submits that it would not have been obvious to one having ordinary skill in the art to combine Anttila with Deaton, Sloane, or Christensen as there is no suggestion to combine these references, that they are incompatible in combination and thereby implicitly teach away from such combination, and even if the references were combined the combination would not show all of the novel features of dependent claim 6.

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The system described by Sloane would eliminate the store POS system altogether by putting scanners onto each shopping cart and automatically registering coupons electronically. The scannable barcode display described by Anttila would have no reason to be included with Sloane since the coupons described in Sloane would never require scanning but would be provided by the system. Additionally, since all coupons in Sloane are preloaded into a server the coupon sharing and value variability described by Anttila would also be incompatible. These systems are completely incompatible and therefore strongly teach away from combination.

The system described by Deaton uses the products scanned at the POS register to send past and current product purchase information to manufacturer computers which then return coupons which are printed at the POS register. There would be no practical reason to add the dynamic barcode display found on Anttila since the Deaton system specifically uses a printer at the POS register. Furthermore, a successful integration of Anttila with Deaton would require additional hardware and or software necessary to allow for the loading of coupons onto the Anttila device as well as a means of disabling the printer in the event the Anttila device is present. Such complicated integration hardware and software is not described in either reference. Additionally, the dynamic pricing features described in Anttila teach away from combination with the printed, and decidedly non-dynamic, incentive model described in Deaton. These systems are completely incompatible and therefore strongly teach away from combination.

The design of the Christensen system is dependent upon the printing of a coupon that has an identifying household ID printed on it so that the coupon can eventually be identified and reconciled at a coupon redemption clearinghouse. To combine the dynamic barcode display from Anttila with this system would render the system described by Christensen completely useless. Additionally the dynamic coupon values described in Anttila are entirely contrary to the controlled coupon values described by

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Christensen. These systems are completely incompatible and therefore strongly teach away from combination.

Given that Anttila is completely incompatible with Sloane, Deaton, and Christensen it is apparent that a person of ordinary skill in the art would not have combined these individual elements. Since the proposed modification or combination of the prior art would change the principle of operation of the referenced prior art inventions being modified the teachings of the references are not sufficient to render the claims prima facie obvious. One of ordinary skill in the art would not reasonably combine Sloane, Deaton, Christensen, and Anttila since it would only make sense with the benefit of impermissible hindsight vision afforded by the claimed invention.

The Rejection Of Claim 9 Under 35 U.S.C 112, First Paragraph, Is Overcome

The response to this rejection uses the same reasoning written above in the section referenced as "The Rejection Of Claim 1 Under 35 U.S.C 112, First Paragraph, Is Overcome".

The Rejection Of Claim 9 Under 35 U.S.C 112, Second Paragraph, Is Overcome

The response to this rejection uses the same reasoning written above in the section referenced as "The Rejection Of Claim 1 Under 35 U.S.C 112, Second Paragraph, Is Overcome".

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The Rejection Of Claim 9 On Deaton In View Of Sloane Further In View Of Christensen Is Overcome

The last O.A. rejected claim 9 on the teachings of Deaton (U.S. Patent No. 6,292,786) in view of Sloane (U.S. Patent No. 5,918,211) further in view of Christensen (U.S. Patent No. 5,710,886). Applicant requests withdrawal of this rejection. The references teach away from combination and one of ordinary skill in the art would not combine the above references without impermissible hindsight. Furthermore, even if the references were combined, Deaton, Sloane, and Christensen do not teach the unique aspects described in claim 9.

Sloane teaches a method that offers shoppers incentives which have been preloaded from each manufacturer into a controller that later determines if a consumer will receive notification of the incentive being offered. Because the loading of these incentives happens prior to the shopper scanning a product the method described by Sloane does not deliver shopping incentives individually customized to influence each customer. Accordingly Sloane also fails to describe a method that combines the product being considered for purchase with the consumer's past shopping behavior metrics to create targeted and customized incentives. Sloane also fails to teach using a plurality of competing manufacturer controlled dynamic incentive offer engines to deliver shopping incentives.

The method described by Deaton is also significantly different from that described in claim 9. Deaton teaches a method for delivering incentives based on purchases as scanned at the point of sale (POS) register and items purchased by the customer in previous shopping trips. The Deaton method does not describe using products currently being considered by the customer nor does it describe providing a processing application having stored data relating to determining a customer behavior customized shopping incentive for the shopper wherein said stored data is comprised of

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demographic information and past shopping behavior metrics for each product class as derived from past incentives redeemed, past incentives refused, and a plurality of items first scanned within a product class on each shopping trip.

Deaton does describe a method where manufacturer computers determine the incentives to be offered, however these computers are different from the independently competing manufacturer controlled dynamic incentive offer engines described in claim 9 because Deaton's computers do not receive customer behavior data comprised of demographic information and past shopping behavior metrics for each product class as derived from past incentives redeemed, past incentives refused, and a plurality of items first scanned within a product class on each shopping trip. Because of the lack of detailed behavior data Deaton's method does not provide the same targeted customization for each incentive. Additionally, because Deaton describes a method that offers incentives at the point of sale rather than presenting them to the customer at the time a purchase decision is being made, Deaton does not present incentives to the customer at the time a purchase decision is being made. Because the Deaton system relies on the POS system for both data capture and for providing incentives it also does not describe a method that provides a wireless device having a scanning means usable by the shopper, the reading of the machine readable code by the wireless device, the communicating of the machine readable code and shopper information to a processing application from said wireless device, the communicating of dynamically-customized custom shopping incentives to said wireless device from said processing application; the selecting of said dynamically-customized custom shopping incentives to be redeemed by the shopper, the communicating of the selected incentives to be redeemed to a point of sale system from said wireless device, and the communicating of the selected incentives to be redeemed to said processing application from said wireless device.

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The manufacturer controlled incentive engines described by Deaton are incompatible with the data that would be provided by a wireless system as described by Sloane. Deaton specifically describes a method that is designed to provide items purchased and prices paid to the manufacturer controlled incentive engines. However, if one were to combine the wireless handheld scanner described by Sloane with the manufacturer controlled incentive engines described by Deaton, the incentive engines would receive data scanned while the person is shopping and has not yet finalized a purchase decision. The manufacturer controlled incentive engines described by Deaton would not expect nor would they be able to handle the kinds of data that would be provided by such a method. The references not only do not teach the unique aspects described by claim 9, the references teach away from combination. The references would only be seen as combinable to one of ordinary skill in the art with the benefit of impermissible hindsight.

It has been suggested that incentives offered by Deaton take into account all current purchases regardless of their order of scanning, and thus reads on items that are "first" scanned or "last" scanned. This reading does not have any bearing on claim 9 as the "first scanned" distinction as read in Deaton is not the same nor does it offer the same benefits as those described in claim 9. In Deaton there is no distinction between "products scanned" and "products purchased" as they are one and the same, therefore Deaton offers no inherent benefit to tracking the "first" product scanned within a product class on each shopping trip. In comparison, numerous items can be identified as "first scanned within a product category on a shopping trip" in the method described in claim 9. These scanning events happen prior to the point of sale register while the customer is still shopping, and more specifically happen while the shopper is in the aisle and standing in front of the array of competing products in the aisle at the precise moment the purchase decision is being made. Claim 9 describes a method whereby the "first" product scanned indicates interest in a specific product within a specific product

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class on a shopping trip. In this case a "first scan within a product category" triggers a cascade of events that provides a selection of customized incentives from competing manufacturers to be presented on the customer's handheld personal wireless device (PWD). Deaton does not describe this.

As an example of the customer's experience using the method described by claim 9, scanning potato chips from "Brand A" would cause potato chip coupons to be offered from "Brand A" and "Brand B". Allowing that the "Brand B" offering was the most persuasive, the customer would select the "Brand B" incentive on his or her PWD, place the "Brand A" package back on the shelf, and continue to purchase the "Brand B" bag of chips. This purchase selection will be positively confirmed at the checkout when the "Brand B" chips are purchased and the related incentive is redeemed. This example also shows how this method can uniquely make the positive distinction between an incentive that has been "rejected" and another that has been "redeemed". Unlike Deaton, the method described by claim 9 would be able to determine that the customer has been persuaded by another incentive offered which compelled him or her to put the item first scanned in that product category back on the shelf to instead purchase a different product from the same product category.

The method described by Deaton offers traditional post-purchase printed coupons delivered via the point of sale register. Because printed coupons have expiration dates that measure in weeks and months the dynamic coupons offered by Deaton cannot offer the direct budgetary flexibility described by claim 9 where manufacturer's internal concerns are at least marketing budget and internal market share objectives. Printed coupons, such as Deaton provides, leave the manufacturer unable to confirm the redemption of an offered coupon for an extended period of time. This uncertainty requires the manufacturer to tie up budgetary funds to cover the estimated maximum redemption rate thereby limiting the flexibility needed to reallocate those funds to

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other more successful incentive programs or other better methods of marketing. Claim 9 purposefully remedies this problem by providing methods to create incentives that are offered while the shopper is in the aisle and standing in front of the array of competing products in the aisle at the precise moment the purchase decision is being made. Claim 9 provides the methods that enable manufacturers to rapidly assess the success of each incentive and to quickly allocate budgetary funds to those incentive programs that are most successful while reducing the funding of those that are not.

Christensen teaches a method whereby a customer loads a computer program onto his or her personal computer, registers said program by calling an 800 number to provide detailed demographic information, and then is able to search the application on his or her computer for any coupons he or she might be interested in. Once a customer locates a coupon, he or she would print the coupon on a printer whereby the coupon would have a unique household ID printed on it. At this point the coupon is no different in usage than a common printed paper coupon. Christensen describes that the household ID printed on the coupon would allow his system to determine "exactly which consumers purchased which particular products and from which retailers" (Column 10, Lines 48-50). Later Christensen teaches that based on the coupons redeemed his system can emphasize and de-emphasize whole categories of coupons, but he does not suggest the ability to establish that any specific incentive has been explicitly rejected.

"If the consumer redeems no coupons from a given category, such coupons may be de-emphasized until the consumer's buying habits change. For example, if a given consumer uses no baby or child product coupons, such categories may be de-emphasized. If a consumer starts redeeming such coupons, then it may be inferred that the consumer has started a family, and coupons targeted toward family needs may then be included in a consumer's subsequent mailings."

(Column 10, Lines 4-12)

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When a coupon has not been redeemed, even though it has been loaded into a customer's computer, Christensen does not assert the inference that the coupon has been "rejected". Furthermore, in scenarios where a coupon has been *confirmed as printed* and still not redeemed Christensen warns *against* presuming that as accurate enough to infer that the printed incentive has been rejected. He explicitly teaches against making such an assumption.

"Coupon printing information may be uploaded via such on-line services to provide marketing data, however, it is believed that such printing data may not be as accurate as redemption data, as redemption data indicates a definite sale of a product." (Column 11, Lines 22-26)

Claim 9 describes a method that goes beyond the capabilities of the combined references. By establishing precise shopping behavior metrics through considering the details of past items first scanned within a product class and, because of the timely immediacy of incentives offered in the store at the moment a purchase decision is being made, the method as described in claim 9 can reasonably determine past incentives offered but refused, as well as past incentives ultimately redeemed.

Neither Deaton nor Sloane describe tracking other past shopping behavior metrics such as past incentives redeemed, past incentives refused, or items first scanned within a product category on each shopping trip. The purchase history described by Deaton and Sloane falls far short of the metrics tracked by the method described in claim 9. While Christensen does describe printing a household ID onto each coupon it is not suggested that this mechanism would provide a metric for measuring incentives refused just because they were not printed and accordingly not redeemed. To reinforce this point Christensen teaches against making such assumptions of incentive rejection as inaccurate even in the event a coupon is printed and still not redeemed. Given that Christensen teaches against the ability to infer coupon rejection in the event that a

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coupon is printed and then not redeemed, it is clear that in the event a coupon has not been printed and not redeemed that this would be an even more unreliable indicator of incentive rejection.

Nelther Deaton nor Sloane nor Christensen describe capturing the customer behavior metrics that establish the efficacy of past incentives and their ability get each consumer to abandon (or retain) their first product choice as described in claim 9. It is only with impermissible hindsight that one would combine Deaton, Sloane and Christensen to arrive at the method described in claim 9.

Not only do the references not combine to provide the benefits described in claim 9, there explicit teaching away from combination found in the references. Sloane explicitly teaches away from combining or integrating with any method that distributes coupons with certain key attributes. As explained in Sloane:

"U.S. Pat. Nos. 4,910,672, 4,723,212, and 5,173,851, assigned to Catalina Marketing Corporation, disclose methods of dispensing coupons, including coupons for competitive products, based on a consumer's purchases as they are identified by the bar code scanner mounted inside the checkout counter, and connected to point-of-sale electronic system. Each of the systems disclosed require the use of checkout counter scanners, which are used as point-of-sale devices.

The prior art methods of distributing consumer promotions and coupons, based on checkout scanner information, in an effort to affect future purchasing behavior are inefficient. This inefficiency is due to the fact that a substantial number of the issued discounts or coupons go unused because consumers are

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required to remember to bring them to the store on their next visit." (Column 1, Lines 51-67)

These key elements referenced above in Sloane, namely the method of dispensing coupons based on a consumer's purchases as they are identified by the bar code scanner mounted inside the checkout counter connected to point-of-sale electronic system, accurately describe those found in Deaton's. Sloane describes his system as superior and inherently incompatible with one such as that described by Deaton.

A person of ordinary skill in the art would have been discouraged from combing these individual elements given the explicit teaching away from such a combination as found in Sloane. It is only with impermissible hindsight that one would think to combine Deaton, Sloane and Christensen to arrive at the features described in claim 9.

As indicated in the O.A., "Deaton determines incentives based on current purchases (scanned at point of sale)". Sloane however describes a system that is used to scan products while still shopping, specifically identified as "Point-of-Purchase" whereby products are only selected and their ultimate purchase remains in question and open to influence. Sloane even discusses the distinction between the term point-of-sale as used by Deaton.

"Promotional offers and coupon distribution for competitive products serve to alter the consumer's future purchasing behavior. The most widely used example of this involves coupons printed and distributed at the supermarket or retailer checkout counter based on the items that are purchased (i.e., point-of-sale). These issued coupons must be used on a subsequent trip to the supermarket or retail establishment." (Column 1, Lines 44-50)

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Integration of Sloane and Deaton would not work because the system described by Sloane provides coupons while shopping and Deaton instead provides them only after products have been purchased. In the Sloane system products are only purchased after the consumer has returned the portable bar code scanner to the scanner center. Since the scanner would have been returned and not in the possession of the consumer all incentives would again have to be delivered after the shopping is completed as described in Deaton.

Additionally, the manufacturer controlled incentive engines described by Deaton are incompatible with the data that would be provided by a wireless system as described by Sloane. Deaton specifically describes a system that is designed to provide items actually purchased and prices paid to the manufacturer controlled incentive engines. However, if one were to combine the wireless handheld scanner described by Sloane with the manufacturer controlled incentive engines described by Deaton, the incentive engines would receive product data scanned while the person is still shopping and has not yet finalized a purchase decision. The manufacturer controlled incentive engines described by Deaton would not expect nor would they be able to handle the kinds of data that would be provided by such a method. The references teach away from each other and would only be seen as combinable to arrive at the method described in claim 9 with impermissible hindsight.

There is implied teaching away from combination because all three references each capture information about a customer's purchase at distinctly different moments in the shopping process. While Sloane allows for the capture of product UPC codes during the product selection phase, Deaton instead captures all product information at the final moment when a purchase is being made. Christensen can only capture information about incentive redemption days or weeks later during the coupon reconciliation process at a coupon redemption clearinghouse.

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This time of data acquisition is important and further renders the combination of the references incompatible. The manufacturer controlled incentive engines described by Deaton describes a system that relies on only passing the items purchased and prices paid to the manufacturer controlled incentive engines. If one were to combine Sloane and Deaton a customer using a wireless scanner while shopping would inevitably be scan a product they were only contemplating purchasing and would then change their mind and put back on the shelf. In the references cited, data acquired at different moments in the process will result in substantial changes to the nature of the data being captured itself. Such a difference in time additionally changes as the actionable nature of such data. Information being sent from a hand held device as described in Sloane to manufacturer incentive engines as described by Deaton would not work.

Christensen doesn't suggest combination with either Deaton or Sloane since all the relevant information in this system is captured weeks later during the coupon reconciliation process at a clearinghouse.

Given the discrepancies in when data is captured these references, by implication, each teach away from combining itself with the other. Since they teach away from each other it would not be logical to combine them without the use of impermissible hindsight.

References have different incompatible time frames for providing customer incentive redemption information to the manufacturer. Deaton describes a system whereby coupons are printed at the register after products have been scanned and purchased. Printing incentives at this stage means that any coupons used will not be redeemed for an indeterminate amount of time, that beginning on the date the coupons are issued at the checkout counter, adding the time until the customer goes shopping again and

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redeems said coupon. Accordingly, manufacturers will also be unable to receive any data pertaining to the redemption of offered incentives for an indeterminate amount of time.

Christensen describes printing a household ID onto each incentive. With the system described by Christensen incentive redemption can only be captured after an indeterminate time starting at the date the manufacturer issues the incentive, add the time until the incentive is loaded onto the customer's computer, adding the time until the customer prints the coupon, adding the time until the customer goes shopping and redeems the coupon, and adding the time until the coupon arrives at the coupon clearinghouse to be scanned.

Sloan describes a system that provides static incentives to a customer based upon searching a preloaded non-dynamic collection of incentives on a remote server or database. However, Sloane does not describe notifying manufacturers of coupon redemption status. The system as described by Sloane indicates that a printed coupon may be generated, but said coupon is not described as having any means of identifying the customer so such information can *never* be captured.

The discrepancies between the capture of incentive redemption information and the time it takes to do so (if at all) illustrates how each reference teaches away from combining itself with any of the others. Since they teach away from each other it would not be logical to combine them without the use of impermissible hindsight.

References have different methods for storing or acquiring the incentives that should be offered to a customer. Sloane teaches a method where incentives are selected from among those that have been preloaded into a computer server or database in the store. Christensen teaches a method where incentives are downloaded to a consumer's

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personal computer. Deaton describes a method that acquires shopping incentives generated by a plurality of manufacturer computers that determine incentives based on current and past purchases when a consumer scans products at the POS register. Given the discrepancies in the method for storing or acquiring the incentives to offer these references teach away from each other by implication and it would not be logical to combine them without the use of impermissible hindsight.

Cited references all have completely different means of delivering incentives to customers. Sloane teaches displaying incentives directly on a wireless device in the store while shopping. Deaton teaches a method that offers custom incentives printed at the register after the purchase is complete, delivered via email some time after the shopping is done, or alternatively printed at a kiosk in the store during the next shopping visit. Christensen teaches loading a computer program onto a personal computer, registering said application by calling an 800 number, providing detailed demographic information, searching the application for any coupons of interest, and then printing any coupons found. Given the discrepancies in the systems for delivering incentives these references teach away from each other by implication and it would not be logical to combine them without the use of impermissible hindsight.

References have dramatically different descriptions regarding integration with traditional Point of Sale systems. Deaton teaches a method that is very tightly integrated with the traditional existing store POS system with a cash register and scanner at the end of a check out aisle. As the Deaton system depends on data collected at the point of purchase and not during the shopping process it requires this tightly integrated configuration. Sloane, on the other hand, describes a method that is designed to replace the traditional POS system seen today and instead teaches a system with consumer self directed checkout that maintains a running total of purchases as a customer shops throughout the store. Christensen does not integrate with the POS

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system but instead prints a coupon at home and allows the POS system to remain largely intact. However, given the household identifying ID, it is apparent that Christensen would require additional hardware, software, or both to be installed at all coupon clearing houses to make the scanning and sorting of their target coupons possible. Given the discrepancies in utilization of traditional POS systems versus cart focused consumer directed checkout these references teach away from each other by implication.

Since the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified the teachings of the references are not sufficient to render the claims prima facie obvious and it would not be logical to combine them without the use of impermissible hindsight.

Even if the combination of Deaton, Sloane, and Christensen were legally justified, claim 9 would still have novel and unobvious features over the proposed combination. In other words applicant's invention as defined by claim 9 comprises much more than starting with Deaton, adding the wireless scanning method as described in Sloane, and further adding the household ID as described by Christensen. Those features, more fully described in claim 9, include a method for delivering shopping incentives individually customized to influence each customer for products having machine readable codes whereby the incentives are generated by a plurality of independently competing manufacturer controlled dynamic incentive offer engines that use customer behavior data received from said processing application and further customize each incentive to meet the manufacturer's internal concerns and objectives, and where the incentives are presented to the customer at the time a purchase decision is being made.

Applicant submits that the novel features of claim 9 are unobvious and hence patentable under § 103 since they produce new and unexpected results over Sloane in

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view of Deaton and further in view of Christensen. The new and unexpected results, more fully described in claim 9, include a system for delivering shopping incentives individually customized to influence each customer for products having machine readable codes whereby the incentives are generated by a plurality of independently competing manufacturer controlled dynamic incentive offer engines that use customer behavior data received from said processing application and further customize each incentive to meet the manufacturer's internal concerns and objectives, and where the incentives are presented to the customer at the time a purchase decision is being made.

Dependent Claims 10-13, 15 And 16 Are A Fortiori Patentable Over Deaton, In View Of Sloane, And Further In View Of Christensen

The last O.A. rejected dependent claims 10-13, 15, and 16 on the teachings of Deaton (U.S. Patent No. 6,292,786) in view of Sloane (U.S. Patent No. 5,918,211), and further in view of Christensen (U.S. Patent No. 5,710,886). Original dependent claims 10-13, 15, and 16 incorporate all the subject matter of claim 9 and add additional subject matter, which makes them a fortiori and independently patentable over these references.

The Rejection Of Dependent Claim 14 In View Of Deaton In View Of Sloane In View of Christensen And Further In View Of Anttila Is Overcome

The response to this rejection uses the same reasoning written above in the section referenced as "The Rejection Of Dependent Claim 6 In View Of Deaton In View Of Sloane In View of Christensen And Further In View Of Anttila Is Overcome".

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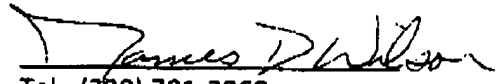
Conclusion

In view of the above it is submitted that the claims are in condition for allowance.
Reconsideration and allowance of the objections is respectfully requested.

Conditional Request For Constructive Assistance

Applicant has amended the claims of this specification so that they are proper, definite, and define a novel system and method, which is also unobvious. If for any reason this application is not believed to be in full condition for allowance, applicant respectfully requests the constructive assistance and suggestions of the Examiner in order that the undersigned can place this application in allowable condition as soon as possible and without the need for further proceedings.

Respectfully submitted,
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